

1                                   **IN THE UNITED STATES DISTRICT COURT**  
2                                   **FOR THE DISTRICT OF PUERTO RICO**

3           **BANCO POPULAR DE PUERTO RICO,**  
4           **INC.,**

5           **Plaintiff,**

6           **v.**

7           **LATIN AMERICAN MUSIC CO., INC., et**  
8           **al.,**

8           **Defendants.**

**Civil No. 01-1142 (GAG)**

9                                   **OPINION AND ORDER**

10           Presently before this court is plaintiff Banco Popular de Puerto Rico's ("BPPR") Motion for  
11           Partial Dismissal (Docket No. 228) of defendant Guillermo Venegas Lloveras, Inc.'s ("GVLI")  
12           counterclaim (Docket No. 32). For the reasons stated herein, the court **GRANTS** BPPR's motion.

13                   **I.       Background**

14           Plaintiff BPPR brought this action pursuant to 28 U.S.C. § 1400(a) seeking declaratory relief  
15           based on the Copyright Act of 1976, 17 U.S.C. § 101 et seq. Specifically, BPPR requests the court  
16           to determine who are the lawful owners of the copyrights of several songs that BPPR used in its  
17           annual Christmas specials. BPPR also seeks reimbursement of any sums of money, including  
18           interests, paid to Latin American Music Company, Inc. ("LAMCO") and Asociacion de  
19           Compositores y Editores de Musica Latinoamericana ("ACEMLA") for rights over those musical  
20           works which were not properly theirs or, in the alternative, a setoff against any royalties or fees owed  
21           to LAMCO and ACEMLA.

22           Among the co-defendants in this action is GVLI, a music publishing company that has  
23           ownership rights to the song "Genesis" written by Guillermo Venegas Lloveras. This song is part  
24           of a group of songs over which LAMCO and ACEMLA alleged to have legal rights and were  
25           performed in BPPR Christmas specials. On June 26, 2001, GVLI filed a counterclaim against BPPR  
26           alleging copyright infringement for the use of the song "Genesis." On that same date GVLI filed a  
27           cross-claim against, *inter alia*, LAMCO and ACEMLA alleging that they knew or had reason to  
28

**Civil No. 01-1142 (GAG)**

1 know that they could not license “Genesis” to BPPR and therefore infringed on their rights as  
2 copyright owners.

3 On January 27, 2009, BPPR moved to partially dismiss GVLI’s counterclaim as to the song  
4 “Genesis” arguing that LAMCO had been ordered to pay GVLI damages for the use of this song  
5 from 1993 to 1998 and that the amount of damages that was paid by LAMCO was the same amount  
6 that had been paid by BPPR to LAMCO for the use of “Genesis.” BPPR argues that the decision  
7 of this court in Venegas-Hernandez v. Peer, 2004 WL 3686337 (D.P.R. 2004), has a preclusive  
8 effect on the present action and that, therefore, the copyright infringement issue concerning  
9 “Genesis” has already been decided by the court.

**II. Standard of Review**

10 Rule 12(b)(6) permits a party to move for dismissal for failure to state a claim upon which  
11 relief can be granted. Fed.R.Civ.P. 12(b)(6). When considering a motion to dismiss, the court must  
12 decide whether the complaint alleges enough facts to “raise a right to relief above the speculative  
13 level.” Bell Atl. Corp. v. Twombly, 550 U.S. 544, 127 S.Ct. 1955, 167 L.Ed.2d 929 (2007).  
14 The court accepts as true all well-pleaded facts and draws all reasonable inferences in the  
15 non-moving party's favor. Id.; Parker v. Hurley, 514 F.3d 87, 90 (1st Cir.2008).

**III. Analysis**

17 The doctrine of collateral estoppel (or issue preclusion) establishes that “when an issue of  
18 ultimate fact has once been determined by a valid and final judgment, that issue cannot again be  
19 litigated between the same parties in any future lawsuit.” Ramallo Bros. Printing, Inc. v. El Dia,  
20 Inc., 490 F.3d 86, 90 (1st Cir. 2007) (internal citations omitted). Furthermore, a defendant may use  
21 collateral estoppel defensively even if he was not a defendant in the prior litigation. See Parklane  
22 Hosiery Co., Inc. v. Shore, 439 U.S. 322, 327-30 (1979); Acevedo-Garcia v. Monroig, 351 F.3d 547,  
23 574 (1st Cir. 2003). In order for a party to invoke the doctrine of collateral estoppel it must establish  
24 four elements: (1) that the issue sought to be precluded in the later action is the same as that involved  
25 in the earlier action; (2) that the issue was actually litigated; (3) that the issue was determined by a  
26

**Civil No. 01-1142 (GAG)**

1 valid and binding final judgment; and (4) that the determination of the issue was essential to the  
2 judgment. Ramallo Bros. Printing, Inc., 490 F.3d at 90.

3 BPPR alleges that the court in Venegas-Hernandez v. Peer issued a valid and binding final  
4 judgment whereby it resolved the issue of the ownership of the “Genesis” copyright. The court in  
5 the aforementioned case stated that the \$16,363.47 awarded to GVLI would “constitute Plaintiff’s  
6 damages **for the licensing in question here.**” Venegas-Hernandez v. Peer, 2004 WL 3686337 at  
7 \*34 (emphasis added). BPPR argues that by giving that amount to GVLI as damages (which is the  
8 same sum that was paid by BPPR to LAMCO for the license to “Genesis” which LAMCO was in  
9 no position to offer) for LAMCO’s copyright infringement, the court was deciding the issue of who  
10 owned the copyright to “Genesis” and who should have received payment for it. The court agrees  
11 with BPPR’s interpretation. After carefully reading the opinion of the court in Venegas-Hernandez  
12 v. Peer, this court finds that the issue sought to be precluded in this action is the same as that  
13 involved in the earlier action, that it was actually litigated and determined by a valid and binding  
14 final judgment, and that the determination of the issue was essential to the judgment. For that reason  
15 the court **GRANTS** BPPR’s motion for partial dismissal of GVLI’s counterclaim. Furthermore, this  
16 court agrees with BPPR’s argument that any remaining claims should consider the allocation of  
17 rights as decided in Venegas-Hernandez v. ACEMLA, 424 F.3d 50 (1st Cir. 2005) (holding that the  
18 rights over the compositions of Guillermo Venegas Lloveras belong to his widow and children on  
19 a 50-50 basis). The court notes that the issue of the performance license for “Genesis,” although  
20 mentioned in the Venegas-Hernandez v. Peer, was not actually litigated and determined by a valid  
21 and final judgment.<sup>1</sup> Therefore, that issue remains before this court.

---

22  
23  
24  
25 <sup>1</sup> The court in that case held that without BPPR’s direct use of the song, the license in dispute  
26 was evidence of only probable, not actual, infringement of GVLI’s songs. The issue of whether  
27 BPPR actually used the song “Genesis” in a performance was not litigated and determined in that  
28 case.

**Civil No. 01-1142 (GAG)**

**IV. Conclusion**

For the abovementioned reasons, the court **GRANTS** plaintiff's motion for partial dismissal (Docket No. 228).

**SO ORDERED.**

In San Juan, Puerto Rico this 24th day of April 2009.

S/Gustavo A. Gelpí

GUSTAVO A. GELPI

United States District Judge